Development and Reforms Project (APDRP) is restructured to cover all district headquarters and towns with a population of more then 50,000. The budgetary support for APDRP is proposed to be enhanced from Rs. 650 crore in 2006-07 to Rs: 800 crore in 2007-08.

Screening of funds flow from Flls

1550. SHRI S.S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) whether officials of sensitive Government Departments have been emphasizing on screening of funds-flow from Flls to the Indian Capital Market;

(b) if so, details thereof;

(c) the action specifically taken, if any, in response thereto indicating the norms formulated for screening of funds;

(d) the details of funds detected, if any, in the last three years for their suspicious/ghost origin;

(e) whether Government have been concerned about tapping of Indian stock market by anti-India jehadi outfits, in particular, as disclosed recently by the national Security Advisor in his deliberations at Munich; and

(f) if so, what is Government's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (f) Information is being collected and will be placed on the Table of House.

Dearness allowance to employees

1551. SHRI ABU ASIM AZMI: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under active consideration of Government to give the dearness allowance to the employees at the annual increase time to save the burden of enhancement of the prices of essential commodities;

(b) if so, whether it is also a fact that barely about 32 lakh Government employees are blamed for increase in the prices of essential commodities due to payment of D.A. to them; and

(c) if so, in what manner Government employees are expected to be benefited?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir.

(b) and (c) Do not arise.

Withdrawal of tax benefits to co-operative banks

1552. SHRI MAHENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have withdrawn tax benefits given to co-operative banks under Section 80(P) of the Income Tax Act, 1961;

(b) if so, the reasons therefor;

(c) whether Government are aware that Indian Banks' Association has also made submission to Government to restore the benefits given to the Cooperative Banks; and

(d) if so, the action taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): <a) Yes, Sir. The tax benefit available under Section 80P to co-operative banks has been withdrawn by Finance Act, 2006. However, primary Agriculture Credit societies and Primary Cooperative Agricultural and Rural Development Banks continue to enjoy the tax benefit under section SOP.

(b) The reasons for withdrawal of the tax benefit under Section 80P of the Income-tax Act are the following:

(i) Co-operative banks are like any other bank and the principle of mutuality does not apply because their area of operations extend even to the non-members.